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**STATE OF ILLINOIS
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Illinois Commerce Commission)	
On its Own Motion)	
)	Docket No. 01-0662
Investigation concerning Illinois Bell)	
Telephone Company's compliance)	
With Section 271 of the)	
Telecommunications Act of 1996)	Phase 1

INITIAL BRIEF OF WORLDCOM, INC.

July 24, 2002

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Initial Brief of WorldCom, Inc.

Illinois Commerce Commission Docket 01-0120

Filed July 24, 2002

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WorldCom, Inc., on behalf of itself and its Illinois operating subsidiaries, by and through its attorney, hereby tenders its initial brief in Phase 1 of the above-captioned docket.

I. INTRODUCTION

This proceeding officially commenced on October 24, 2001, with the issuance of the Order of the Illinois Commerce Commission ("Commission") initiating the investigation into the compliance of Illinois Bell Telephone Company d/b/a Ameritech Illinois ("Ameritech" or "Ameritech Illinois") with Section 271 of the Telecommunications Act of 1996 ("TA96").¹ The Investigation Order noted that the Federal Communications Commission ("FCC") is required to consult with state commissions to verify whether Ameritech complies with Section 271 of TA96. Citing the FCC's Michigan 271 Order, the Commission observed that the FCC has described the important role of state commissions in 271 proceedings because "state commissions' knowledge of local conditions and experience in resolving factual disputes affords [state commissions] a

¹ See *Illinois Commerce Commission on its Own Motion, Investigation concerning Illinois Bell Telephone Company's Compliance with Section 271 of the Telecommunications Act of 1996*, Order Initiating Investigation, Docket 01-0662, issued October 24, 2001 ("Investigation Order").

unique ability to develop a comprehensive, factual record regarding the opening of the BOCs' local networks to competition.”²

The Commission's Investigation Order emphasized the importance of compliance with TA96 to ensure that local markets are open and set forth the broad parameters of its inquiry:

The Commission finds that Ameritech Illinois' compliance with the Checklist Items is crucial to ensuring that Ameritech Illinois' local markets are open to effective competition, and concludes that a determination of whether Ameritech Illinois satisfies those items or requires further action to satisfy those items must be investigated. The Commission notes that, in prior 271 Orders, the FCC has consistently made its public interest determination based on evidence provided in the competitive checklist review. The FCC has also placed special emphasis on the BOCs' performance remedy plan. This Commission will fully investigate the performance remedy plan to ensure that the local market remains open to competition and to guard against backsliding following 271 approval. The Commission will also review and consider Ameritech-Illinois' compliance with the competitive checklist and related public interest issues. To the extent that a particular public interest issue is unrelated to the competitive checklist, but a party believes that it is important to the development of competition in Illinois, the party is free to comment on such issue. Should the ICC find such argument important to the development of local competition, it may, at its discretion, provide consultation on this issue to the FCC.³

Recognizing that data from the test of Ameritech's Operations Support Systems (“OSS”) would not be ready until March 2002 at the earliest, the Commission directed that the proceeding be conducted in two phases, with corresponding interim orders. It was contemplated that the first phase would cover as many issues as possible, absent the OSS test results, and that phase 2 would address all remaining OSS issues and any other issues not addressed in the first phase.⁴ In order to facilitate the completion of the docket in a timely fashion, the Commission directed

² Investigation Order (citing *Application by Ameritech Michigan Pursuant to Section 271 of the Communications Act of 1934, as amended, to Provide In-Region, InterLATA Services in Michigan*, CC Docket No. 97-1, Order, 12 FCC Rcd 3309, FCC 97-298, para. 30 (1997) (“Michigan 271 Order”)).

³ Investigation Order, p. 3 (emphasis added).

⁴ *Id.*

Ameritech to file a notice of its intent to submit its Section 271 application with the FCC as soon as possible, but in any event at least 120 days prior to the actual filing of the application with the FCC.

It was with these directions that Phase 1 of these proceedings got underway. Ameritech circulated to parties draft affidavits and its draft brief in support of its 271 application on November 20, 2001. After a series of workshops the purpose of which was to identify issues not covered by the draft affidavits and draft brief, or issues which needed additional elaboration, Ameritech filed direct testimony on January 28, 2002, followed by Staff and intervenor testimony on March 20, rebuttal by all parties on April 22, Staff and intervenor rebuttal to Ameritech on May 29, and Ameritech surrebuttal testimony on June 5, 2002. Hearings were convened between June 17 and June 21, and an additional hearing was held on July 1, 2002. Dates for the submission of initial and reply briefs were set for July 24 and August 21, respectively.

II. DISCUSSION AND ARGUMENT

A. Track A Compliance - Ameritech's Information Regarding Local Exchange Competition in Illinois Is Misleading and Inaccurate.

ISSUE AND RULE

The issue with respect to this item is whether Ameritech has fulfilled the requirements of Section 271 (c)(1)(A) of TA96, which encompasses the so-called "Track A" method for Bell Operating Companies ("BOCs") to proceed with qualifying for Section 271 authority. Section 271 (c)(1)(A) requires among other things a showing that competing carriers are providing telephone exchange service to business and residential customers, either exclusively or

predominately over their own telephone exchange facilities. The issue here, however, is not whether facilities-based local providers exist – there appears to be little if any debate as to whether facilities-based local providers exist -- but the extent to which competition has a foothold in the Illinois local market. On this score, Ms. Heritage's analysis, which is done within the context of Track A, is faulty and should not be relied upon by the Commission. Rather, to the extent the Commission is inclined to comment to the FCC on the level of competition in Illinois it should rely upon information that the Commission gathers from carriers which form the basis for the Commission's annual report to the Illinois General Assembly on the status of competition in the state.

ANALYSIS

WorldCom, Staff and AT&T all have requested that the Commission not rely upon Ameritech's description about the level of competition that exists in its service territory in Illinois because Ameritech's methods of estimating lines served by Competitive Local Exchange Carriers ("CLECs") likely greatly exaggerates the actual number of lines served by CLECs. In order to come up with the highest possible number for the level of CLEC competition, Ameritech has used several "diagnostic" methods. These methods are highly suspect, especially the use of E911 database information to extrapolate CLEC line counts. For example, Staff witness Qin Liu testified that Ameritech's E911-based estimation shows an overstatement of 1.2 million or 18.2% of Ameritech switched access lines using September 2001 data and 1.3 million or 20.7% of Ameritech switched access lines using February 2002 data. (Staff Ex. 24.0, p. 20).

Not surprisingly, Ameritech objects to the Illinois Commission using information which the ICC has independently gathered to gauge the status of local competition in Illinois. Specifically, Ameritech takes issue with WorldCom's suggestion that the Commission rely on

the information it gathers from carriers for its annual report. Ameritech witness Ms. Heritage asserted that the Commission should not rely on the information it independently gathers from carriers in Illinois because there is a possibility that not all carriers have responded to the Commission's competition data request, the results of the data request have not yet been published and once the results are published, any discrepancies in the data would have to be resolved before the data could be used as a credible source. (Ameritech Ex. 14, p. 49). Ms. Heritage appears to believe that her local competition analysis will be superior to the Commission's independent analysis of local market competition, and cites reasons that she *believes her analysis is reasonable and conservative. WorldCom disagrees that the Commission's independent analysis will be inferior to Ameritech's analysis, and respectfully submits that if the information is proper for the Commission to report to the Illinois General Assembly on the state of competition in Illinois, it is similarly proper for the Commission to use in its consultation with the FCC on Ameritech's 271 application. (WorldCom Ex. 6.1, p. 19).*

Information that the Commission gathers, while it may not include information regarding every single Local Exchange Carrier ("LEC"), will likely be superior to Ameritech's proposed method. First, it will be superior because it is independent – the Commission has no incentive to inflate the level of competition, as Ameritech does. Second, the Commission's annual report will include information about "the number and type of firms providing services" and "the extent to which customers and other providers are purchasing the firms' telecommunications services." 220 ILCS 5/13-407(1), (3). The report will indicate the number of carriers that responded to the directive as well as the number of carriers that have certificates to operate in the state, so that the parameters of the report are clear. Third, there is no requirement, as Ms. Heritage suggests, that an unbiased report must include information from each and every carrier in the state or that the

Commission will not have resolved discrepancies before it issues its annual report. The Commission has a statutory obligation to provide the General Assembly with a report that, among other things, "collect[s] all information, in a format determined by the Commission, that the Commission deems necessary to assist in monitoring and analyzing the telecommunications markets and the status of competition and deployment of telecommunications services to consumers in the State." 220 ILCS 5/13-407(5). That information will be submitted to the General Assembly on an annual basis. If the Commission is comfortable using this report to describe to the General Assembly the status of competition in the Illinois, it should be comfortable using the same report to describe the status of competition to the FCC. (WorldCom Ex. 6.1, p. 20).

In addition, the timing of the Commission's annual report to the General Assembly makes it perfect for providing the most up-to-date information concerning the status of competition in the local market in Illinois. The Commission is charged with filing an annual report with the General Assembly pursuant to Section 13-407 of the PUA. The Commission generally submits its annual report for the period from January 1 through December 31 of the immediately preceding year by the end of January of the current year. Thus, the Commission will likely have its report for calendar year 2002 ready for submission by January 31, 2003.

All indications are that Ameritech will not be prepared to submit its Section 271 application for Illinois to the FCC until sometime in 2003. Assuming that Ameritech files with the FCC at some point in January 2003, then the Commission's annual report to the Illinois General Assembly will be timely and the most up-to-date analysis of the status of competition in Illinois. Simply because it will not have been part of the record in this proceeding does not make that report any less credible. Indeed, because it is the official report that the Commission

provides to the General Assembly, the Commission's report will be more credible than analyses provided by others, and because it will represent the Commission's own assessment of competition in Illinois it makes sense that it should be the one the Commission relies upon in its consultation with the FCC. There should be no presumption, as Ameritech suggests, that the Commission's report will have discrepancies or otherwise not be credible.

CONCLUSION

In sum, it makes no sense for the Commission to rely on information provided by Ameritech when the Commission already has information it needs to make a more accurate evaluation of the state of competition in Illinois. Since all LECs in the state were required to respond to the Commission's local competition data request in March, the Commission now has data directly from most, if not all, LECs regarding the number of lines served in the state. Accordingly, there is no legitimate reason to accept Ameritech's convoluted analysis that may result in an inaccurate picture of competition in Illinois. Indeed, most LECs file similar information with the FCC, which the FCC uses to compile statistics on local competition. Thus, the FCC and the ICC independently compile information on the status of local competition and it is that information that the regulatory authorities should rely upon to evaluate the state of local competition in Illinois.

For these reasons, WorldCom believes that the Commission should rely on its annual report on the state of competition in its consultation with the FCC. As other witnesses to this proceeding have pointed out, including Staff witness Dr. Liu and AT&T witness Steven Turner, Ameritech's analysis of the status of local competition in Illinois is unreliable and the information or data Ameritech relies upon is inflated or inconsistent. (Staff Ex. 10, p. 2; AT&T Ex. 1, p. 3). The Commission should disregard Ameritech's claims about competition and

instead rely on its information and report on the status of local competition in its consultations with the FCC.

B. Checklist Items – Because Significant Barriers to Competition Still Exist With Respect to Important Checklist Items, Ameritech Cannot Be Found To Have Satisfied All Of The Section 271(c)(2)(B) Checklist Requirements.

1. Checklist Item 1 – Interconnection - Pricing

ISSUE AND RULE

The issue of proper pricing of interconnection, Unbundled Network Elements (“UNEs”), combinations of UNEs, transport and termination and reciprocal compensation is an issue that traverses several checklist items. Since checklist item 1 is the first place that the issue of pricing is encountered, WorldCom will address the issues here. The rule on pricing flows from Section 252(d) of TA96 and the FCC’s rules concerning Total Element Long Run Incremental Cost (“TELRIC”) rules. 42 U.S.C. 252(d); 47 C.F.R. Section 51.505 *et seq.* To implement TA96 uniformly nationwide, the FCC determines whether the BOC has priced interconnection, UNEs, combinations of UNEs, transport and termination and reciprocal compensation appropriately.⁵ The Supreme Court has confirmed the FCC’s authority to establish the nationwide methodology.⁶ As a general matter, Ameritech must establish that its rates are TELRIC compliant. With respect to pricing in general, Ameritech has failed to demonstrate that all of its prices are TELRIC compliant or that rates have been established for all of its offerings. Therefore, Ameritech has not complied with the pricing requirements of TA96. While there is no dispute that Ameritech still has yet to establish certain TELRIC rates, for example for non recurring charges for new combinations of UNEs, there is a dispute concerning the certainty of

⁵ Michigan 271 Order, paragraphs 282, 286.

⁶ *AT&T Corp. v. Iowa Utils. Bd.*, 525 U.S. 366, 385 (1999).

rates. Because Ameritech has challenged the rates upon which it relies to show 271 compliance and has indicated that it believes existing TELRIC rates set by the Commission are too low, there is a concern that Ameritech may try to change those rates in the near future. For this reason, as well as other reasons, WorldCom has argued that Ameritech's existing UNE rates should be capped for a period of up to five years to ensure rate certainty. AT&T and Staff have taken similar positions. The capping of rates remains in dispute.

ANALYSIS

While Ameritech relies upon its existing Commission approved UNE rates for purposes of Section 271 compliance,⁷ it is clear from the record in this proceeding that a dark cloud hangs over those rates and that Ameritech intends to seek substantial increases to those rates in the near future. It is uncontested that Ameritech believes its existing TELRIC rates are too low. Ameritech witness Rhonda Johnson claimed that the under the existing TELRIC rates Ameritech does not recover all of its costs. Ms. Johnson testified that there is a definite concern on Ameritech's part that there is urgency within Ameritech to ensure that it does recover its costs. (Transcript "Tr.," p. 922). Ms. Johnson agreed that prices CLECs must pay for UNEs is a key factor in determining whether CLECs can compete and participate in the local exchange market.⁸

It is uncontested that Ameritech filed new cost studies supporting updated UNE rates in response to the Commission's order conditionally approving the SBC/Ameritech merger.⁹ WorldCom filed a motion to accept late-filed exhibits which delineate Ameritech's existing rates

⁷ Tr., p. 924.

⁸ Tr., p. 914.

⁹ See *Joint Application for approval of the reorganization of Illinois Bell Telephone Company d/b/a Ameritech Illinois and the reorganization of Ameritech Illinois Metro, Inc., in accordance with Section 7-204 of the Public Utilities Act and for all other appropriate relief*, Docket No. 98-0555, Order, September 25, 1999 (hereafter the "Merger Order"), pp. 110, 124.

for UNEs (“Existing Rates”) and the UNE rates supported by the cost studies that Ameritech filed in response to the Commission’s Merger Order (“Post Merger Rates”). By comparing the matrices that have been marked as WorldCom Late-Filed Exhibits 1 and 2, the Commission and the ALJ can get an indication of the magnitude of rate increases Ameritech thought it was entitled as of April 6, 2000 when it filed the cost studies supporting its Post Merger Rates and can reasonably take this as a harbinger of what the Commission and CLECs can expect when Ameritech seeks new rates.

Specifically, a review of WorldCom Late-Filed Exhibits 1 and 2 demonstrate that Ameritech’s Post Merger basic loop rates would have increased some 83% (from \$2.59 to \$4.73) in access area A, 75% (from \$7.07 to \$12.38) in access area B, and 53% (from \$11.40 to \$17.41) in access area C. In addition, Ameritech’s Post Merger switching rate would have included a local switching usage fee in direct contradiction of the Commission’s Order in the TELRIC proceeding that local switching UNE priced on a predominately flat-rated basis.¹⁰ Consistent with the Commission’s findings concerning the appropriate ULS rate structure in the TELRIC Order, the Commission flatly rejected Ameritech’s most recent attempt to impose a local switching usage fee as unjustified in the order it issued on July 10, 2002, in its investigation of Ameritech’s Unbundled Local Switching and Shared Transport (“ULS-ST”) rates.¹¹ The simple conclusion that can be drawn from WorldCom Late-Filed Exhibits 1 and 2 is that Ameritech fully intends to seek substantial increases in UNE rates. At the same time, Ameritech urges the Commission in this case to find that Ameritech’s UNE rates to be fully compliant with the requirements of TA96 and the FCC’s TELRIC rules. Ameritech seeks to show in this docket

¹⁰ See WorldCom Late-Filed Ex. 2, p. 3 “local switching usage.”

¹¹ Order, Docket 00-0700, issued July 10, 2002, pp. 5-6 (“ULS-ST Order”).

that the local market in Illinois is irreversibly open to competition based on its existing UNE rates for purposes of achieving Section 271 approval and requests the Commission to make a positive recommendation to the FCC on Ameritech's 271 application on that basis. But the cloud of uncertainty hangs heavily in the background. Given the history of Ameritech's aversion to setting TELRIC compliant rates, as discussed in greater detail below, the Commission should not allow rate uncertainty to hang over the local market in Illinois. Rather, it should agree to provide a positive recommendation on Ameritech's 271 application only if it adopts a cap on Ameritech's existing UNE rates for a period of not less than five years – roughly the same amount of time that it took CLECs to get TELRIC rates in place for many, but not all, UNEs.

Despite years of litigation, CLECs still do not have certainty with respect to rates that must pay Ameritech for certain combinations of UNES. It is amazing that a CLEC still does not know today what nonrecurring rates it must pay to Ameritech, for example, when the CLEC wants to provide such service by purchasing all the network elements necessary to do so from Ameritech.

The reason it has taken so long for the Commission to set TELRIC rates for certain UNEs and combinations of UNEs is Ameritech's intransigence and refusal to comply with past Commission orders. That is certainly true with respect to nonrecurring charges for new and additional lines served via the Unbundled Network Element Platform ("UNE-P). More than four years after the issuance of the original Ameritech TELRIC Order on February 17, 1998 (hereinafter referred to as the "TELRIC Order"), Ameritech continues to flout Commission directives and drag-out issues related to the nonrecurring charges that CLECs should expect to pay for combinations of UNEs. But that is exactly what has happened. Dilatory tactics in establishing TELRIC rates has impeded the development of competition in the local

telecommunications market, increased costs of CLECs, and delayed the availability of telecommunications services to consumers.

The TELRIC Order was clear with respect to Ameritech's obligation to file cost studies and support any nonrecurring charges related to combinations of UNEs set forth in its contracts:

The essence of the remaining issue between the parties appears to be whether (and which) nonrecurring charges should apply when a competitor purchases particular combinations of unbundled network elements. We conclude that the parties have not provided sufficient information in this record to enable us to render a decision on this matter. We direct Ameritech Illinois to submit additional testimony in the next stage of this proceeding (at the time it submits its proposed compliance tariff filing) which addresses, for each UNE combination identified by AT&T/MCI and WorldCom: 1) a description of the extent to which the separate elements of each combination are combined in Ameritech Illinois' own network for its own use; 2) the separate unbundled element prices which Ameritech Illinois proposes would apply to a purchase of the combination; 3) a description of any additional activities and the costs of those activities which are required to provide each unbundled element combination where recovery of the costs of those activities is sought; 4) an identification of each nonrecurring charge which Ameritech Illinois proposes would or may apply to the purchase of the UNE combination; including an identification of all nonrecurring charges which Ameritech Illinois proposes would or may apply to the situation where an end user's existing service is converted "as is" to a new entrant and 5) a description of the basis for calculation of each nonrecurring charge which Ameritech Illinois proposes would or may apply. Ameritech Illinois may submit any cost studies that it believes support its proposals.

TELRIC Order, February 17, 1998, pp. 125-126.

Ameritech fully understood that the TELRIC Order directed it to provide cost studies and testimony related to existing and new combinations of UNEs. In its Application for Rehearing of the TELRIC Order, Ameritech complained that:

...the Commission's requirement that Ameritech Illinois provide additional testimony and cost studies concerning certain unbundled network element combinations (Order, p. 125) rests on the false premise that Ameritech Illinois still may be required to provide unbundled network

element combinations.[footnote omitted] As Chairman Miller correctly stated ‘this Commission should not be imposing prices on combinations which we have no authority to require.’ (Order, Miller Dissent, p. 3). For the reasons stated above and in Ameritech Illinois’ supplemental memoranda, the Commission’s premise – as well as the testimony and cost studies that the Commission ordered Ameritech Illinois to provide – is contrary to law. Because Ameritech Illinois may not be legally required to combine unbundled network elements on behalf of CLECs or to provide CLECs with preassembled unbundled network element combinations, there is no lawful basis for the Order’s requirement of additional testimony. Accordingly, the Commission should grant rehearing and amend the Order to hold that, consistent with Iowa Utilities Board, Ameritech Illinois is not required to combine network elements for CLECs or provide CLECs with existing, preassembled combinations, or submit additional testimony and cost studies on network element combinations.[footnote omitted]

(WorldCom Ex. 6.0, pp. 10-11 (citing Application for Rehearing of Illinois Bell Telephone Company, Docket Nos. 96-0486 and 96-0569 (consol.), filed March 9, 1998, p. 8)).

With the Commission’s directives clearly delineated,¹² and an obvious understanding of the implications of those directives, Ameritech made a strategic decision to withhold evidence in the form of testimony and cost studies in Docket 98-0396 – specifically cost studies and testimony supporting nonrecurring rates related to new combinations of UNEs. It was only after the Commission issued its Order in Docket 98-0396 on October 16, 2001 that Ameritech sought to demonstrate nonrecurring costs that are purportedly associated with certain “new” combinations of UNEs. Because of Ameritech’s intransigence, final TELRIC nonrecurring rates for “new” combinations of UNEs will likely not be established for another year or more.

¹² While the Commission amended the TELRIC Order on April 6, 1998, to make the order final and to clarify the level of the interim rate it had set for shared transport, the Commission made clear that in all other respects the February 17, 1998 TELRIC Order was to remain in full force and effect. Amendatory TELRIC Order, Docket Nos. 96-0486 and 96-0569 (consol.), April 6, 1998, p. 1.

In addition to delays in getting permanent rates for new combinations on UNEs, Ameritech has impeded the ability of carriers to provide services to residential and small business customers by denying CLECs shared transport, which is an integral piece of the UNE Platform. Ameritech was required as a part of the Commission's SBC/Ameritech Merger Order to make available an "interim shared transport" offering to CLECs at rates reasonably comparable to those established in Texas. When Ameritech filed its interim shared transport offering, it did so at a rate that was 16 times the rate established in Texas. The interim shared transport filing – something that was supposed to hasten the development of competition by allowing CLECs to purchase an end-to-end unbundled UNE-P, was again delayed by Ameritech's intransigence. As the Commission noted:

It is ironic indeed that Ameritech contends it would be a waste of our resources to spend time evaluating whether Ameritech's ULS-IST tariff, now withdrawn and replaced with Ameritech's ULS-ST offering, which is currently under investigation in Docket No. 00-0700, complied with our prior orders requiring Ameritech to provide shared transport. Ameritech argues that no CLEC has used it anyway; thus, there is no reason to investigate it. We find Ameritech's argument wholly disingenuous and designed to stave off the inevitable conclusion that Ameritech's ULS-IST offering fails to comply with our prior orders. The real question is not whether it complies with our prior orders, but how many of our prior orders it defies. In addition, given the currently pending ULS-ST tariff investigation, repeating the Commission's positions on issues that will, in all likelihood reappear there, may serve the parties well be providing pronouncements of recent vintage to use in arguments there.

We are similarly unconvinced by Ameritech's desperate attempt to deflect a determination of whether its ULS-IST complied with our prior orders by arguing that to make such a determination would constitute an illegal declaratory ruling. We are not being asked to make a declaratory ruling. A declaratory ruling is one where an applicant requests that we make a determination as to whether a particular rule or statute would apply to future conduct or a future specific set of facts and circumstances. There is no risk of speculation here. Ameritech's obligation to file its ULS-IST tariff has already occurred, and the conduct, facts and circumstances being examined have already occurred. We are not being asked to make a

declaratory ruling. Rather, we are simply being asked to determine whether an offering Ameritech was required by us to file -- and did file -- complied with our prior orders spelling out Ameritech's obligations concerning that offering.

The answer is no, Ameritech has not, under any reasonable interpretation, complied with our prior orders requiring it to provide shared transport. Our Merger Order expressly required Ameritech to import to Illinois the rates agreed to in Texas for interim shared transport. We gave Ameritech the option of filing Illinois-specific rates *provided the rates are reasonably comparable to the importation of Texas rates*. Instead, Ameritech filed a tariff with rates that are more than 16 times higher than the Texas rates. We reject Ameritech's argument that the rates it filed in Texas were "incorrect" because the rates overlooked various costs that should have been recovered. In the first place this is simply a collateral attack on the Texas results, which is inappropriate in this forum. Secondly, this argument could have been raised in the Merger case, but apparently was not, from which we infer that no modifications should have been made to the Texas rates prior to importation into Illinois. Our Merger Order clearly specified that the Texas rates would be "the rates agreed to in Texas" -- not some hypothetical set of Texas rates. Ameritech failed to comply with our Merger Order as it relates to the filing of interim shared transport.

We also agree with AT&T, MCI WorldCom and Z-Tel that Ameritech's noncompliance is even more egregious than just violating the Merger Order. The rates filed by Ameritech for ULS-IST were also inconsistent with the shared transport cost study originally filed with us by Ameritech in compliance with our TELRIC Order. This shared transport cost study demonstrated that the Texas rates we required Ameritech to import were not only accurate, but almost identical to the shared transport rate originally calculated by Ameritech.

TELRIC Compliance Order, Docket 98-0396, pp. 66-67.

The cloud hanging over existing rates and the lack of other TELRIC rates -- both of which hinder competition in the local market -- is perpetuated by Ameritech's actions. First, Ameritech has appealed the Ameritech TELRIC Order and challenged virtually all of the conclusions the Commission reached which form the basis for Ameritech's existing TELRIC rates. Ameritech has also appealed the Commission TELRIC Compliance Order that was issued on October 16,

2001. Second, as evidenced by the Commission's reopening of the TELRIC Compliance Proceeding, Docket 98-0396, the Commission has yet to determine nonrecurring charges for new combinations of elements. Third, while the Commission's October 16, 2001, Order in the TELRIC Compliance Proceeding set a nonrecurring rate of \$1.02 for migrations of customers from Ameritech to CLECs providing service to those customers via the UNE-P, Ameritech has already filed an appeal of that order challenging the Commission's conclusion that resulted in the rates it did adopt. Fourth, in response to the Commission's Merger Order, Ameritech filed new TELRIC studies with the Commission which have not been reviewed or approved. If recent studies that Ameritech has filed in other states in the Ameritech region are any indication, the studies that Ameritech completed for Illinois are likely requesting significant *increases* in existing TELRIC rates. (WorldCom Ex. 6.0, p. 13-15).

WorldCom believes that the Commission should not be reevaluating TELRIC rates that it took nearly four years to review to determine whether they complied with the original TELRIC Order, especially if Ameritech is proposing significant increases to rates. Indeed, the Commission's Merger Order clearly contemplated that TELRIC rates for UNEs, and shared and common costs in particular, would be going down, to the benefit of CLECs. The bottom line is that Ameritech has done everything in its power to cast doubt on the TELRIC rates that it is relying upon in this proceeding to show how the local market in Illinois is irreversibly open to competition. That is a major concern.

CONCLUSION

The record in this proceeding is clear on the issue of TELRIC pricing. Not only do TELRIC rates remain to be established for nonrecurring charges for combinations of elements – the delay of which is a direct result of Ameritech's actions – but a cloud of uncertainty has been

cast by Ameritech over the existing UNE rates that it is relying on in this proceeding to demonstrate compliance with Section 271. The Commission should require as a condition of a positive recommendation on Ameritech's 271 application that Ameritech withdraw its appeals of the Commission's TELRIC Order and the Commission's TELRIC Compliance Order. Moreover, the Commission can determine that existing TELRIC rates should be capped for a period of not less than five years, since the telecommunications industry is a declining cost industry and the synergies from the SBC/Ameritech merger should further ensure that shared and common costs are going down. The five year cap would be roughly commensurate with the time it took to complete the TELRIC Compliance Proceeding, Docket 98-0396, plus the time it will take to complete the new investigation of nonrecurring charges for new UNE combinations. These solutions seem fair in light of the time it has taken, and continues to take, to get TELRIC rates established and in light of Ameritech's demonstrated propensity to impede the establishment of TELRIC rates. More importantly, these solutions will provide CLECs and the Commission a level of comfort that there will be certainty with respect to TELRIC rates for some time to come, thereby helping to ensure that the local market will remain open going forward. Without such assurances, the Commission is fully justified in declining to recommend that the FCC grant Ameritech Illinois' application to provide in-state, interLATA telecommunications services pursuant to Section 271 of TA96. WorldCom recommends such action absent implementation of a cap on existing UNE rates.

2. Checklist Item 2 – Nondiscriminatory Access To Network Elements In Accordance With The Requirements of Sections 251(C)(3) and 252(D)(1)

ISSUE AND RULE

Simply put, the issue is whether Ameritech provides nondiscriminatory access to its Operation Support Systems ("OSS"), including functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing of unbundled network elements under section 251(c)(3) and resold services under section 251(c)(4). A tangential issue is whether Ameritech complied with this requirement by the deadline set by the FCC. Ameritech asserts that it provides nondiscriminatory access to OSS. WorldCom disputes that contention.

With respect to the rules, in the FCC's First Report and Order, the FCC found that OSS functions "are essential to the ability of competitors to provide services in a fully competitive local service market."¹³ The First Report and Order recognized that providing nondiscriminatory access to OSS would require some modifications to existing systems necessary to accommodate such access by CLECs. The FCC, citing Illinois as an example, noted that state commissions had ordered that such access to be made available in the near term.¹⁴ The FCC found that:

In all cases, however, we conclude that in order to comply fully with section 251(c)(3) an incumbent LEC must provide, upon request, nondiscriminatory access to operations support systems functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing of unbundled network elements under section 251(c)(3) and resold services under section 251(c)(4). Incumbent LECs that currently do not comply with the requirement of section 251(c)(3) must do so as expeditiously as possible, but in any event no later than January 1, 1997. [footnote omitted]¹⁵

¹³ *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket 96-98, First Report and Order, released August 8, 1996, paragraph 522 ("First Report and Order").

¹⁴ *Id.*, paragraph 524.

¹⁵ *Id.*, paragraph 525.

In addition to setting January 1, 1997 as the deadline for implementation of systems that would allow for nondiscriminatory access to Ameritech's OSS, the FCC has consistently found that nondiscriminatory access to OSS is a prerequisite to the development of meaningful local competition.¹⁶ The Ameritech's OSS does not meet either prong of the test the FCC has established to evaluate OSS: it has not deployed the necessary systems and personnel; and its OSS is not operationally ready. (NY 271 Order, paragraph 87). As demonstrated below, and based on WorldCom's actual marketplace experience, Ameritech's OSS contains critical functional deficiencies that today are causing substantial problems for WorldCom and its customers.

ANALYSIS

WorldCom witness Sherry Lichtenberg addressed a variety of OSS issues and explained why Ameritech's systems are still woefully flawed, thereby impeding WorldCom's efforts to compete effectively and economically in the local telephone market. Specifically, Ms. Lichtenberg addressed problems related to Service Order Completion ("SOC") notices; flow through; line splitting; inaccurate provisioning; switch translation problems; trouble handling process problems and the Electronic Bonding Trouble Administration ("EBTA") system. (WorldCom Exs. 3.0, 3.1). WorldCom witness Mindy Chapman addressed the issue of missing and untimely line loss notifiers. (WorldCom Exs. 1.0, 1.1). In addition, WorldCom witness A. Earl Hurter addressed deficiencies with Ameritech OSS related to billing. Taken together, these problems clearly indicate that Ameritech's OSS fail to meet the requirement that CLECs be allowed access to OSS on a nondiscriminatory basis. Ameritech's acknowledges the problems

¹⁶ *In re Application by Bell Atlantic New York for Authorization Under Section 271 of the Communications Act to provide In-Region, InterLATA Services in the State of New York*, CC Docket No. 99-295, Memorandum Opinion and Order, FCC No. 99-404 (rel. Dec. 22, 1999) ("NY 271 Order").

cited by WorldCom, but disputes the extent of the problems or claims that it has implemented solutions to the problems. WorldCom believes that the problems it has identified continue to exist and recommends that the Commission decline to provide a positive recommendation regarding Ameritech's 271 application unless and until each of the problems is resolved in a satisfactory manner.

OSS - Service Order Completion Notices

Among the problems Ms. Lichtenberg identified was the current problem of missing service order completion notices ("SOCs"). This issue is a smaller scale version of the New York "meltdown" that happened shortly after the FCC granted Verizon 271 authority in the state of New York. In New York, several hundred thousand orders for local service (among several CLECs) did not receive service order completion notices. WorldCom experienced the same problem to an unmanageable degree in Michigan and Illinois.

The result of missing SOCs is that orders become mysteriously lost in Ameritech's systems and are never confirmed, or completed. Ameritech's failure to send WorldCom the actual SOC notices impairs WorldCom's ability to offer service to its Illinois customers. When SOCs are missing, residents who chose WorldCom local service are either awaiting local service from WorldCom, or have such service but continue to be billed by Ameritech. In addition, some customers may have WorldCom service, and Ameritech may have ceased billing these customers, but WorldCom is not billing these customers because of the failure to receive the SOC notices from Ameritech, which are an essential prerequisite to trigger billing to the customer.

Ameritech's failure to send WorldCom the actual electronic notices prohibits WorldCom from activating and processing customer orders. Ameritech's noncompliance in this regard

should not be overlooked — it has impaired and continues to impair WorldCom's local service offering in Illinois. The business and customer impact is real.

As set forth in more detail in Ms. Lichtenberg's testimony, Ameritech has claimed on several occasions that it has "solved" this problem. While the situation has certainly improved since it peaked in Illinois and Michigan, Ameritech's apparent inability to find the root cause(s) of this problem, and its desire to make the quality (or lack of quality) of its systems and processes public via its 271 application, indicate that perhaps this Commission should require Ameritech to provide a solution that actually and finally resolves the problem in order to obtain a favorable Commission recommendation on its 271 application. WorldCom is interested in a real solution here, and is concerned that Ameritech has chosen to claim success on this issue when it is apparent that Ameritech has not yet solved the problem.

This issue is not simply a technical one. WorldCom's decision to offer local service on a statewide, mass markets basis in the Ameritech service territory in Illinois was premised on the rigorous work by the Commission to open the markets to competition. As a practical matter, "opening the market to competition" -- particularly "irreversibly" -- includes ensuring that WorldCom has the ability to exchange order information with Ameritech in a fully automated manner. This means that WorldCom and Ameritech exchange electronic information, in an industry-standard, Electronic Data Interchange ("EDI") format, on the provisioning and status of local orders. As Ms. Lichtenberg described, before rolling out local service in Michigan and Illinois, WorldCom spent millions of dollars developing and testing an automated ordering system to exchange EDI messages with Ameritech for local transactions. WorldCom designed its systems to talk to Ameritech's systems in a timely, efficient manner, and to track the life cycle of every local order submitted to Ameritech.

Ms. Lichtenberg also discussed that when WorldCom receives an electronic acknowledgement followed by an electronic Firm Order Confirmation ("FOC") and an electronic SOC, there is no manual intervention — the entire process is automated, efficient and allows the processing of a significant number of orders per day. The electronic notifiers permit WorldCom to update systems in a near real-time manner with the current status of the orders, which in turn allows for the relaying of accurate information to customers, should they call to inquire about the status of their order.

If WorldCom does not receive these notifiers from Ameritech serialtim— acknowledgement, FOC, SOC — manual intervention is required. For example, manual intervention is required should WorldCom receive an acknowledgement, but no FOC follows for at least three days. In that scenario, WorldCom brings these records to the attention of Ameritech via the help desk/trouble ticket process. These trouble tickets remain open until an appropriate electronic response is received for each purchase order number ("PON") contained in the trouble ticket.

Manual intervention increases WorldCom's operating costs and inhibits WorldCom's ability to serve commercial volumes of customers. WorldCom does not have the resources to fund or staff the manual handling and processing of data. To do so would be extremely inefficient given that WorldCom spent millions of dollars designing automated systems to interface directly with Ameritech without manual intervention. When an electronic FOC is not received, WorldCom has no way of knowing when the customer can expect to receive service. WorldCom is left completely in the dark, and new customers could wait for undefined periods of time for their orders to be processed.

The receipt of a timely SOC is equally important. Receipt of an electronic SOC closes out the pending order and instructs billing systems to initiate service and billing upon the provisioning date provided on the SOC. Once this occurs, the customer becomes “active” in WorldCom’s systems. Worldcom’s architecture for local order processing is highly automated and the order interface with Ameritech utilizes electronic messaging. Therefore, WorldCom’s systems and processes are 100% dependent on the receipt of an electronic SOC. Without an electronic SOC, WorldCom cannot begin billing or servicing customers.

The impact of Ameritech’s failure to send electronic SOC’s is both lost revenue and customer dissatisfaction. Ameritech’s failure to provide these important notifiers means that customers are either being billed by Ameritech or are not being billed at all. In either case, the customer will ultimately receive a bill from WorldCom several months after the service. A single bill of that magnitude is likely to cause significant customer complaints and refusals to pay, and perhaps disconnections in addition to ill-will directed at WorldCom.

OSS - Flowthrough Failures

As discussed in Ms. Lichtenberg’s testimony, many of the orders that WorldCom places do not flow through the Ameritech systems. This results in Ameritech relying on manual intervention, which has led to a deteriorating and inconsistent backlog of missing SOC notices. Yet, Ameritech asserts that a large percentage of the orders which have been submitted in fact flow through.

While Ameritech has certainly made improvements to its systems since this problem reached its heyday, it is still occurring, and still having detrimental impacts on WorldCom. One major cause is the existence of errors or mismatches in the Ameritech back end databases, such as the information in Ameritech’s SAG (Street Address Guide) not matching the address on the

CSR (Customer Service Record). Ameritech's failure to add the proper CLEC ownership information to orders during its manual processes has also led to massive headaches. The Commission should compel Ameritech to correct whatever fundamental flaws still reside in its systems that continue to result in flow-through failures as detailed in Ms. Lichtenberg's testimony. The more missing SOC's that result from these failures, the more competition is harmed.

Access - Impediments to Line Splitting/Line Sharing

Ms. Lichtenberg detailed how Ameritech fails to satisfy checklist requirements because it fails to provide line splitting. For example, she noted that Ameritech is presently preventing WorldCom from line splitting in Illinois, where thousands of orders have been improperly rejected. In January and February 2002 for WorldCom in Illinois alone, Ameritech rejected 778 such orders. (WorldCom Ex. 3.0, p. 14-15). These orders are where Ameritech is presently providing the voice service and the customer has DSL service provided by a data CLEC (which could include Ameritech's own data affiliate). WorldCom has issued orders to simply migrate the voice service (while leaving the data service intact) and to serve the customer for voice via UNE Platform. It is very important to WorldCom in Illinois that customers of this type be automatically migrated to WorldCom just like other voice customers. Ameritech has improperly rejected several hundred local orders from WorldCom where Ameritech is presently providing the voice service and the customer has DSL service provided by a data CLEC (which could include Ameritech's own data affiliates).

Ameritech is preventing customers who have Ameritech for voice (and who have DSL service on the same line) from choosing WorldCom as their voice provider. In the vocabulary of the industry, where a customer is line sharing, Ameritech refuses to allow a line splitting so as to

permit migration of voice service to a CLEC serving its customer via UNE-P.

The Commission needs to make clear that all aspects of appropriate line splitting must be effectively offered and provisioned by Ameritech. The number of customers whose choice of WorldCom for local service will be denied by Ameritech's conduct will grow as competitive entry continues.

During the line-splitting collaboratives in Michigan, Ameritech agreed to have technical workshops on line splitting, after the legal issues were resolved. Ms. Lichtenberg discussed these collaboratives in her testimony and recommended the adoption of the CLECs' line splitting proposal as a means by which Ameritech can demonstrate its checklist compliance.

Like Michigan, this Commission has also required line splitting over UNE-P, and the provisioning of the splitter as a UNE.¹⁷ Thus, where Ameritech's data affiliate provides its own splitter, or where another data CLEC provides its own splitter, Ameritech must allow line splitting over UNE-P. Yet, as a practical matter, Ameritech has flatly refused to do so.

Ameritech has conceded that its proposed version of line splitting would entail some "downtime," due to the requirement of contending with removal and reinstallation of the splitter. The WorldCom method of line splitting for migrations, on the other hand, would involve no downtime or disruption of voice or data service. Thus, only the WorldCom method of converting line sharing to line splitting complies with the FCC directive that migrations "avoid" voice and data service disruptions.

OSS - Ameritech Provisioning Errors

Ms. Lichtenberg described that WorldCom has discovered that the receipt of a SOC is no guarantee that an order has been provisioned properly. While the issuance of a SOC signals that

¹⁷ See *Order, Docket 01-0614*, issued June 11, 2002, pp. 30-32 ("13-801 Order").

the order is complete, WorldCom's experience is that Ameritech often does not take the action requested by the CLEC in the service order. This has resulted in Ameritech's failure to add services such as call waiting, and in completing smooth migrations of customers from Ameritech to WorldCom. WorldCom has seen that Ameritech's back-end systems often do not reflect the account and billing changes that should have resulted from a customer migration. At times this has led to WorldCom's customers being disconnected (once five separate times) for "failure" to pay an Ameritech bill, even though the customer is not an Ameritech customer.

OSS - Switch Translation Problems

Ms. Lichtenberg also discussed switch translation problems, whereby Ameritech has failed to implement properly the switch translations that allow a customer to be "PIC'd" to its local toll carrier in the UNE-P environment. Switch translation errors are also the cause of Ameritech's failure to carry the customer's local toll traffic on the WorldCom network. As Ms. Lichtenberg explained, although this problem this is an ongoing problem that has yet to be resolved, despite Ameritech's assertions to the contrary.

OSS - Electronic Bonding Trouble Administration Problems

Ms. Lichtenberg described how Ameritech's Electronic Bonding Trouble Administration ("EBTA") system is seriously deficient in at least three areas. There are problems with MLT (mechanized loop testing), problems with assigning due dates for repairs, and problems with accepting trouble reports concerning features. (WorldCom Ex. 3.0, p. 27). With respect to MLT, WorldCom's trouble handling group has frequently been unable to run an MLT test on the customer's line. It is important to be able to run MLT to determine where the problem is on a customer's line – e.g., whether the problem is in the switch, in the outside plant, or within the inside wiring of the customer's premise. The Ameritech EBTA system, part of the Web GUI

(graphic user interface) CLEC pre-order, ordering, is also deficient because dates for clearing troubles are routinely pushed out 5 days. In addition, the system mishandles trouble reports for features, routinely inaccurately classifying the troubles when they are entered into the system. In addition, the Web GUI continues to be unstable and prone to significant outages.

OSS - Missing and Untimely Line Loss Notifiers

WorldCom witness Mindy Chapman described the problem of missing and untimely line loss notifiers. (WorldCom Exs. 1.0, 1.1). Ms. Chapman indicated that where WorldCom is providing local service via UNE-P in Illinois, a line loss notifier is a notice which Ameritech is supposed to send to WorldCom to let WorldCom know that a customer has migrated to another CLEC (a CLEC-to-CLEC Migration) or to Ameritech (a winback). A line loss notifier lets WorldCom know that the customer is no longer with MCI, and that MCI should stop billing the customer for local service. When a line loss notifier is not sent, WorldCom will likely keep on billing the customer (even though the customer is no longer a customer of Worldcom) until sometime in the future. Without a line loss notification, a final WorldCom end user bill can still be rendered, but only after the former customer has called to complain that the local service is now being provided by a different carrier and that he/she is receiving local phone bills from two different carriers. Without a line loss notification from Ameritech, however, the exact date of the switch will not be likely known by the customer, so the billing to the customer is not likely to match the actual date he/she terminated service with the previous carrier.

While Ameritech stated at the hearing in this matter that it has implemented fixes to correct the line loss problem, it remains to be seen whether the problem is in fact fixed. Indeed, the testimony and record in this proceeding indicate that line loss is a continuing problem.¹⁸

¹⁸ See cross examination testimony of Z-Tel witness Ron Walters, Tr., pp. 1621-1630.

OSS - Billing Problems

WorldCom witness A. Earl Hurter addressed billing problems related to Operator Services/Directory Assistance ("OS/DA") and intraLATA toll. With respect to intraLATA toll, Mr. Hurter described how, at a high level, there are four main issues with respect to Ameritech's billing of WorldCom for local toll usage. First, Ameritech should not be billing WorldCom for local toll usage. Second, even if there were circumstances in which it would be appropriate for Ameritech to bill WorldCom for local toll usage, the billing format is improper. Local toll usage should be in the Carrier Access Billing System ("CABS") format, as opposed to the CRIS billing which Ameritech is presently utilizing for local toll usage. Third, the rate that Ameritech is charging WorldCom for local toll usage -- 42.3 cents per minute -- is entirely improper. And finally, the way in which Ameritech lists the jurisdiction of the calls on its CABS billings is entirely improper. (WorldCom Ex. 2.0, p. 2).

Mr. Hurter also noted a significant problem with the billing for OS/DA. For OS/DA calls WorldCom's bill averages \$0.429 per call. It is apparent that the Ameritech charges for Directory Assistance and Operator Services grossly exceed the tariffed rates in Illinois. The rate for unbundled Directory Assistance calls in Ameritech's Illinois Tariff is \$0.258 per call (citing Illinois Bell Tariff, ILL. C. C. No. 20, part 19, Section 7, 1st revised Sheet No. 9, attached to WorldCom Ex. 2.0 as Schedule EH-3). The Ameritech Illinois tariffed rate for unbundled Operator Services calls for manual call assistance is \$0.364 per call. (WorldCom Ex. 2.0, p. 9-10 (citing Illinois Bell Tariff, ILL. C. C. No. 20, part 19, Section 8, 2nd revised Sheet No. 10, attached to WorldCom Ex. 2.0 as Schedule EH-4)).

Ameritech, while acknowledging the billing problems, claimed that the problems related to incorrect billing for intraLATA toll had been fixed. It is clear that there were a series of errors,

process issues, training, and other circumstances that contributed to and compounded the routing and LPIC problems that WorldCom has experienced. While Ameritech witness Mr. Muhs asserts that Ameritech addressed and resolved these issues, WorldCom was unable to verify Mr. Muhs' without examining Ameritech's bills over several billing cycles. Examination of several bills will be necessary to analyze whether bills are decreasing, either in dollars billed or minutes billed, and whether the translations problems have been resolved with respect to all of Ameritech's switch translations for all of its switches and in all of its end offices. The problem is that there is no direct evidence at this time that would indicate that Ameritech Illinois has fully resolved its avowed translation and routing problems.

Indeed, WorldCom has evidence that this problem has not resolved. As WorldCom witness Sherry Lichtenberg pointed out at pages 22-26 of her rebuttal testimony, translation and routing problems continue unabated. For example, while Mr. Muhs claims that the routing translation problem was fixed in March 2002, Ms. Lichtenberg observes that in April 2002 WorldCom had over 220,000 new errors of this nature in Illinois alone. Ms. Lichtenberg further indicates that WorldCom has sent these records to Ameritech for research, but Ameritech has yet to provide answers as to why this problem persists, a root cause analysis of the problem, or a description of exactly how and when the problem will be fixed. Accordingly, it appears as though the "solution" described in Mr. Muhs' testimony has not addressed the root cause of the problem. This issue continues to be in dispute between the parties.

CONCLUSION

Despite Ameritech's claims to the contrary, WorldCom continues to experience fluctuating problems with SOC's and serious problems with flow through; line splitting; inaccurate provisioning; switch translations; trouble handling process problems and EBTA

system; and billing. In addition, while progress has been made to lessen line loss problems, based on the record of this proceeding it cannot be said the problems are fixed. Indeed, the record in this proceeding indicates that problems continue to exist with respect to line loss. These are customer impacting problems that impede WorldCom's ability to fully and fairly participate in the local market in Illinois. The Commission should withhold any recommendation that the FCC grant Ameritech authority to provide in-state, interLATA services unless and until all of the problems that WorldCom outlined are addressed and resolved. Until that time, there can be no credible finding that Ameritech's local market is fully and irreversibly open to competition.

3. Checklist Item 4 – Nondiscriminatory Access To Local Loops

ISSUE AND RULE

The issue is whether Ameritech is providing access to the loop in a manner that allows line splitting via UNE-P. The rule is that a BOC must demonstrate that it makes line splitting available to competing carriers so that competing carriers may provide voice and data service over a single loop. In addition, a BOC must demonstrate that a competing carrier, either alone or in conjunction with another carrier, is able to replace an existing UNE-P configuration used to provide voice service with an arrangement that enables it to provide voice and data service to a customer. To make such a showing, a BOC must show that it has a legal obligation to provide line splitting through rates, terms, and conditions in interconnection agreements and that it offers competing carriers the ability to order an unbundled xDSL-capable loop terminated to a collocated splitter and DSLAM equipment, and combine it with unbundled switching and shared transport.¹⁹ While a BOC may win section 271 approval without a permanent OSS process for

¹⁹ Federal Communications Commission Memorandum Opinion and Order, *In re Application of Verizon Pennsylvania Inc., Verizon Long Distance, Verizon Enterprise Solutions, Verizon Global Networks Inc., and Verizon Select Services Inc. for Authorization to Provide In-Region, InterLATA Services in Pennsylvania*, CC Docket No. 01-138 (rel. Sept. 19, 2001), Appendix C, paragraph 52 ("Pennsylvania 271 Order").

line splitting, the FCC will expect it to meet its commitment to implement permanent OSS for line splitting within a short time after approval. (*Id.*, paragraph 89). FCC and Illinois rules require that voice and data disruptions be avoided when customers are converted to services provided via line splitting arrangements.²⁰

ANALYSIS

As discussed in section 3 above, Ameritech does not currently allow line splitting. Ameritech rejects WorldCom orders for UNE-P voice service and thereby precludes voice splitting. As a result, Ameritech fails to meet its obligations to provide nondiscriminatory access to local loops as required by TA96 and Illinois law. It is uncontested that Ameritech rejects Worldcom's orders for UNE-P voice service to an end user customer served by a line on which voice and data are provided over that line in a line sharing scenario. It is uncontested that Ameritech asserts that there will be disruption to a customer's service – both voice and data – if Ameritech would provision line splitting voice UNE-P. It is uncontested that Ameritech does not have in place a process or procedure that allows CLECs to order UNE-P voice service provided via line splitting arrangements.

CONCLUSION

For all of the foregoing reasons, Ameritech does not comply with checklist item 4 or checklist item 2 with respect to line splitting. The Commission should withhold any recommendation that the FCC grant Ameritech authority to provide in-state, interLATA services unless and until Ameritech complies with federal and state law regarding line splitting. Until that

²⁰ See *Deployment of Wireline Services Offering Advanced Telecommunications Capability and Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, Third Report and Order on Reconsideration in CC Docket No. 98-147, Fourth Report and Order On Reconsideration in CC Docket No. 96-98, FCC 01-26, adopted and released January 19, 2001, para. 22 ("Line Sharing Reconsideration Order"); 220 ILCS 5/13-801(d)(6) and Order, Docket 01-0614, issued June 11, 2002, pp. 32-33.

time, there can be no credible finding that Ameritech's local market is fully and irreversibly open to competition.

4. Checklist Item 6 – Nondiscriminatory Access to Unbundled Local Switching

ISSUE AND RULE

This issue is with respect to customized routing. WorldCom has instructed Ameritech how it wants its OS/DA calls routed to its own platform or to third party OS/DA platforms and Ameritech has refused to implement WorldCom's preferred OS/DA customized routing method. A BOC must provide CLECs with technically feasible customized routing functions, so that the CLEC can designate the particular outgoing trunks that will carry certain classes of its customers' originating traffic.²¹ The CLEC must tell the BOC how to route its customers' calls. (Louisiana II Order, para. 224).

ANALYSIS

WorldCom witness Edward J. Caputo discussed Ameritech's failure to provide customized routing of OS/DA (Operator Services/Directory Assistance) calls placed by WorldCom's customers. Because of this, Ameritech fails to satisfy FCC requirements, as well as checklist items 6 and 7. As Mr. Caputo explained, WorldCom can provide OS/DA to its customers in two ways – by purchasing it from Ameritech, or by providing it itself. However, even if WorldCom chooses the latter option, it is dependent upon Ameritech to route WorldCom's UNE-P customers' OS/DA calls to WorldCom's OS/DA facilities. Thus, while

²¹ Federal Communications Commission Memorandum Opinion and Order, *In re Section 271 Application of SBC Texas to Provide In-Region, InterLATA Services in Texas*, CC Docket No. 00-65, FCC No. 00-238 (rel. June 30, 2000), para. 339, note 946 ("Texas 271 Order"); NY Order, para. 346, note 1071; Federal Communications Commission Memorandum Opinion and Order, *In re BellSouth Corporation, BellSouth Telecommunications, Inc., and BellSouth Long Distance, Inc., for Provision of In-Region, InterLATA Services in Louisiana*, CC Docket No. 98-121, 13 F.C.C.R. 20599 (Oct. 13, 1998), para. 221 ("Louisiana II Order").

WorldCom prefers this option for the control it allows over WorldCom's OS/DA service offerings, Ameritech continues to fail to provide the customized routing necessary to meet WorldCom's business needs and FCC rules, despite the fact that it is technically feasible. Mr. Caputo provided extensive evidence to show that Worldcom's preferred customized routing method is technically feasible. (WorldCom Ex. 5.0, 5.1). Mr. Caputo also testified that Ameritech has been on notice for years as to how WorldCom prefers to have its OS/DA traffic routed.

CONCLUSION

Due to Ameritech's failure to provide compliant customized routing, it must provide OS/DA as UNEs – at TELRIC-based prices – until it complies with its customized routing obligations. This Commission should ensure that Ameritech satisfies this legal obligation until it successfully implements WorldCom's requested mode of customized OS/DA routing. In any event, the Commission should decline to recommend to the FCC that Ameritech Illinois be granted approval to provide in-state, interLATA services in Illinois under Section 271 of the Telecommunications Act of 1996 until Ameritech meets the customized routing obligations of Checklist Items 6 and 7.

5. Checklist Item 7 – Nondiscriminatory Access to OS/DA

ISSUE AND RULE

The issue is whether Ameritech provides nondiscriminatory access to OS/DA on a UNE basis at TELRIC rates. Ameritech claims that it is not required to provide OS/DA as a UNE. WorldCom contends that, consistent with FCC and Commission requirements, Ameritech must provide OS/DA as a UNE at TELRIC rates unless and until Ameritech successfully implements

WorldCom's preferred customized routing solution that would allow WorldCom's UNE-P OS/DA calls to be routed to WorldCom's OS/DA platforms or the OS/DA platforms of a third party provider.

ANALYSIS

WorldCom witness Mr. Caputo provided testimony on this subject. (WorldCom Exs. 5.0, 5.1, 5.2). Despite Ameritech witness Mr. Deere's claim in his rebuttal testimony that, "...the FCC has approved the same type of customized routing arrangements for Arkansas and Missouri," the Illinois Commerce Commission has already set the conditions for Ameritech Illinois with respect to customized routing and OS/DA services. The Commission found in the TELRIC Compliance Order in Docket 98-0396, dated October 16, 2001, that "...we also require Ameritech, consistent with the record evidence presented by AT&T and MCI WorldCom and the FCC's UNE Remand Order, to provide operator services and directory assistance as unbundled network elements at TELRIC rates until such time as Ameritech successfully demonstrates, after testing and our approval of terms, that CLECs have the ability to route their OS and DA traffic to their own OS and DA platforms or to those of a third party provider."

In addition to the Commission's directives, the FCC stated in the Louisiana II Order, "In the Michigan 271 Order, the Commission determined that a BOC's promise of future performance has no probative value in demonstrating its present compliance. To gain in-region, interLATA entry a BOC must support its application with actual evidence demonstrating its present compliance with the statutory conditions for entry, instead of prospective evidence that is contingent on future behavior."

SBC and Ameritech Illinois have had ample time to understand WorldCom's requirements. SBC and Ameritech Illinois have been aware of WorldCom's requirements since

1997, and have been provided with documentation on exactly how to perform the customized routing that WorldCom requires since before February, 2001, as part of the Pacific Bell proceeding. Regardless, SBC and Ameritech Illinois have failed to provide WorldCom with its required customized routing in a swift, efficient and businesslike manner. Likewise, Ameritech Illinois has failed to acknowledge in this proceeding that it must comply with the Illinois Commerce Commission Order in 98-0396, dated October 16, 2001 to provide OS/DA as UNEs at TELRIC rates until such time as it provides customized routing. For these reasons, Ameritech Illinois does not meet its obligations under checklist items 6 and 7. (WorldCom Ex. 5.2, p. 18).

CONCLUSION

Unless and until Ameritech Illinois does comply with checklist items 6 and 7, the Illinois Commerce Commission should refuse to endorse any bid by Ameritech to provide in-state, interLATA services in Illinois.

6. Checklist Item 10

ISSUE AND RULE

The issue here is whether Ameritech provides nondiscriminatory access to databases and associated signaling. A BOC must demonstrate it provides nondiscriminatory access to: signaling networks, including signaling links and signaling transfer points; call-related databases necessary for call routing and completion, or physical access to the signaling transfer point; service management systems; and Advanced Intelligent Network (“AIN”) based services.²² With respect to “Call-related databases,” the FCC has found that these are “databases, other than

²² See Teas 271 Order, ¶ 362; NY Order ¶ 365; Louisiana II Order ¶¶ 266-267; Pennsylvania 271 Order, Appendix C, ¶ 62; and Federal Communications Commission Memorandum Opinion and Order, *In re Application of Verizon New York, Inc., Verizon Long Distance, Verizon Enterprise Solutions, Verizon Global Networks Inc., and Verizon Select Services Inc., for Authorization to Provide In-Region, InterLATA Services in Connecticut*, CC Docket No. 01-100 (rel. July 20, 2001), Appendix D, ¶ 63 (“Connecticut 271 Order”).

operations support systems, that are used in signaling networks for billing and collection or the transmission, routing, or other provision of telecommunications service.” (Connecticut 271 Order, Appendix D, ¶ 63).

ANALYSIS

Directory Assistance Listings Download

Although the FCC has determined that the Directory Assistance Listing (“DAL”) database is a UNE, Ameritech today does not offer DAL at TELRIC rates. Ameritech and WorldCom disagree as to whether DAL should be provided at TELRIC rates, with WorldCom asserting that TELRIC based rates are appropriate and Ameritech contending that market-based rates are appropriate. WorldCom’s ability to receive the DAL database in a readily accessible format and at reasonable and nondiscriminatory prices is essential to WorldCom’s ability to compete in the directory assistance marketplace. In addressing the appropriateness and need for DAL, the FCC has stated:

1. . . . We conclude today that local exchange carriers (LECs) must provide competing directory assistance (DA) providers . . . that qualify under section 251(b)(3) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996 (“the Act”) . . . with nondiscriminatory access to the LECs’ local directory assistance databases, and must do so at nondiscriminatory and reasonable rates. . . . To the extent that such DA providers qualify under section 251(b)(3), we find that LEC failure to provide such access may also violate section 201(b). . . .
3. Essential to a competitor’s ability to provide directory assistance is access to an accurate local directory assistance database. . . . Because incumbent LECs derive their local directory assistance database through their service order processes, they continue to maintain a near total control over the vast majority of local directory listings that form a necessary input to the competitive provision of directory assistance. Without nondiscriminatory access to the incumbents’ directory assistance databases, competing DA providers may be unable to offer a competitive directory assistance product. This, in turn, may affect the ability of both the DA providers and the CLECs that rely on them to compete in the local exchange marketplace. The directory assistance market

will not be fully competitive as long as incumbent LECs have the ability to leverage their monopoly control of their DA databases into market dominance. . . .

6. The Commission acknowledged that many LECs offered directory assistance for purchase or resale to competitors, but concluded that under the general definition of "nondiscriminatory access," CLECs must be able to obtain at least the same quality of access to these services that a LEC itself enjoys, and that merely offering directory assistance and directory listing services for resale or purchase would not, in and of itself, satisfy this requirement. . . . Rather, the Commission concluded that section 251(b)(3) required LECs to share their directory assistance databases with their competitors, in "readily accessible" tape or electronic formats, and that such data had to be provided in a timely fashion upon request. . . . The purpose of requiring "readily accessible" formats was to ensure that no LEC, either inadvertently or intentionally, provided subscriber listings in formats that would require the receiving carrier to expend significant resources to enter the information into its systems. . . . The Commission concluded that a highly effective way to accomplish nondiscriminatory access to directory assistance, apart from resale, would be to allow competing providers to obtain read-only access to the directory assistance databases of the LEC providing such access. . . . The Commission believed that access to such databases would promote seamless access to directory assistance in a competitive local exchange market.²³

It is perfectly clear that Ameritech must provide this DAL information to WorldCom and that it be priced at TELRIC, which is the only nondiscriminatory and reasonable pricing for this type of information. Accordingly, federal law requires "just" "reasonable" and "non-discriminatory" pricing for DA and DAL regardless of whether or not directory assistance is required to be unbundled pursuant to Sections 251(c) and (d).

As Mr. Caputo explained, Ameritech is not providing DAL at cost-based rates. The Commission cannot even remotely consider Ameritech's application until Ameritech first provides DAL to WorldCom (and other qualifying providers) at TELRIC rates, and in an acceptable manner. Ameritech has a long way to go to meet Checklist Items 7 and 10.

²³ *In the Matter of Provision of Directory Listing Information*, First Report & Order, FCC 0127, January 2001, ¶¶ 1, 3, and 6 ("DAL Provisioning Order").

CNAM Batch Downloads

As set forth in Mr. Caputo's testimony,²⁴ obtaining Customer Name database ("CNAM") in a batch download form, as opposed to per-query access, is very important to WorldCom. Access to CNAM downloads, as opposed to the more expensive "per-query" form of CNAM access, is crucial to WorldCom's ability to offer such products economically and to compete in the current market. Because the CNAM database, as a call-related database, has been deemed a UNE, Ameritech Wisconsin is required to provide access thereto on just, reasonable and nondiscriminatory terms. Forcing CLECs to purchase per query access, which requires even those CLECs with their own Signaling System 7 ("SS7") networks to pay for using Ameritech's SS7 network, does not meet this standard. The whole notion of unbundling network elements was to allow CLECs to purchase only those UNEs they need to obtain from the incumbent. As Mr. Caputo described, it also increases WorldCom's development costs and discourages innovation. For these reasons, this Commission should join those in Georgia, Tennessee, Michigan and Minnesota and require the provision of CNAM information in batch download form, as well as on a per-query basis.

Ameritech CNAM Update Problems

In addition to the CNAM download issue, Mr. Caputo discussed a flaw in the way that Ameritech provisions CNAM for WorldCom customers who are calling Ameritech customers. An example will help explain the problem. There is a travel agency in Illinois that is now a WorldCom local customer, but was previously an Ameritech local customer. When this travel agency placed telephone calls to Ameritech local customers and these Ameritech local customers had caller ID with name, the travel agency was being identified as a funeral home. This occurred

²⁴ WorldCom's testimony concerning nondiscriminatory access to databases and signaling systems (WorldCom Exs. 4.0 and 4.1) was prefled by Michael Lehmkuhl, but adopted at hearing by Edward Caputo.

because Ameritech failed to update its CNAM database, which is the source of the name displayed in the caller ID with name unit.

This incorrect display on the caller ID with name obviously has a detrimental effect on WorldCom customers. Having one's calling information displayed incorrectly on caller ID units should not be the price of going with a competitor. However, Ameritech's failure to update its CNAM information for customers who obtain local service from a CLEC causes the problems that CLEC customers are encountering.

This issue has been escalated between the companies. While Ameritech will correct the wrong information as each wrong piece of data is noticed, there is no present timetable for a permanent solution so as to prevent incorrect information from being displayed. It should also be noted that while Ameritech is taking steps to correct this problem, the only way the problem can be identified, without preemptive action on Ameritech's part, is for a WorldCom customer to notify WorldCom if a third party (*i.e.* an Ameritech or another CLEC's customer) notifies the WorldCom customer that the caller ID with name is displaying the wrong name. Obviously, there can be long delays in any third party notifying the WorldCom customer about the problem. It is unknown what would happen if the Ameritech customer would contact Ameritech customer service. Also, it is highly likely that the Ameritech customer will simply do nothing but to think that the WorldCom local customer is somehow incompetent due to its apparent failure to accurately provide its name to the telephone company.

Non-Discriminatory Access to LIDB

Mr. Caputo finally discusses non-discriminatory access to Ameritech's Line Information database ("LIDB"). Ameritech is currently limiting WorldCom's use of the LIDB to those cases where WorldCom would use it for the provision of local service. However, because LIDB is

generally used to validate calling cards, collect calls and third party call information, this restriction is wholly improper, since it excludes these very uses of the LIDB. Mr. Caputo described why this violates the law and why Ameritech's current LIDB restrictions are improper and anticompetitive.

CONCLUSION

The record demonstrates that Ameritech does not comply with checklist numbers 7 and 10, because Ameritech is not providing nondiscriminatory access to its DAL, CNAM and LIDB databases. The record further demonstrates that CNAM updates for ported numbers continues to be a problem that impedes WorldCom's ability to participate fully and fairly in the local market in Illinois. For these reasons, the Commission should withhold endorsement of Ameritech Illinois' 271 application unless and until Ameritech addresses and resolves the issues related to checklist items 7 and 10 that WorldCom identified in its testimony in this proceeding.

C. Public Interest – Ameritech Should Be Required To Affirmatively Demonstrate Compliance With State Laws and Regulations.

ISSUE AND RULE

There are several issues that fall into the public interest category. For example, remedy plans and performance measures are looked at by the FCC under the public interest standard contained in Section 271(d)(3) (C) of TA96. (WorldCom Ex. 6.1 (citing Louisiana II Order, ¶ 364 and Massachusetts 271 Order at ¶ 236)).²⁵ Remedy plans and performance measures are designed to ensure that Ameritech's performance does not backslide after Section 271 approval, but are not a part of the 14-point competitive checklist found in Section 271(c). There has been

²⁵ Louisiana II, *supra*; Federal Communications Commission Memorandum Opinion and Order, In re Verizon New England, Inc., Bell Atlantic Communications, Inc., NYNEX Long Distance Company, for Authorization to Provide In-Region, InterLATA Services in Massachusetts, CC Docket No. 01-9, 16 F.C.C.R. 8988 (4-16-01) ("Massachusetts 271 Order").

disagreement about what remedy plan should be adopted by the Commission on a going forward basis, but that issue has apparently been resolved by the Commission's Order in Docket 01-0120.

In its Remedy Plan Order, the Commission stated:

We conclude, therefore, that unless otherwise directed by the Commission, the Remedy Plan adopted pursuant to this Order shall serve as the basis for the aforementioned "performance assurance plan" referenced by Ameritech for Section 271 approval purposes. The Commission does not believe it is in either its own interest or any of the parties' interest to re-litigate the nuances of the Remedy Plan in the current Section 271 proceeding. Therefore, the Commission wishes to clarify that any future reference (in either concurrent or prospective dockets before the Commission) to a Remedy Plan in place in Illinois, either voluntarily or pursuant to Commission Order, shall mean the Remedy Plan adopted pursuant to this Order.²⁶

The other hotly contested public interest issue is whether Ameritech should be required to demonstrate compliance with state laws and regulations. Ameritech contends that the issues should be limited to the so-called 14 point checklist, while Staff and CLECs argue that the Commission should evaluate Ameritech's compliance, or lack of compliance, with state laws and regulations in determining the extent to which the local market in Illinois is fully and irreversibly open to competition. The FCC has determined that, among others, the public interest factors that it will consider in Section 271 proceedings is whether a BOC has complied with state and federal regulations. In particular, the FCC stated:

Furthermore, we would be interested in evidence that a BOC applicant has engaged in discriminatory or other anticompetitive conduct, or failed to comply with state and federal regulations. [footnote omitted] Because the success of the market opening provisions of the 1996 Act depend, to a large extent, on the cooperation of the incumbent LECs, including the BOCs, with new entrants and good faith compliance by such LECs with their statutory obligations, evidence that a BOC has engaged in a pattern

²⁶ *Petition for Resolution of Issues of Disputed Issues Pursuant to Condition (30) of the SBC/Ameritech Merger Order*, Order, Docket 01-0120, issued July 10, 2002 ("Remedy Plan Order").

of discriminatory conduct or disobeying federal and state telecommunications regulations would tend to undermine our confidence that the BOC's local market is, or will remain, open to competition once the BOC has received interLATA authority.

(WorldCom Ex. 6.1, p. 5 (citing Michigan 271 Order, *supra*, ¶ 397 (emphasis added))).

It is clear that the FCC does want to know whether Ameritech is complying with state laws and regulations, or whether Ameritech has engaged in a pattern of disobeying state regulations. There is no entity is better equipped to consult with the FCC on the matter of Ameritech's compliance or non-compliance with state law and regulations than this Commission. This proceeding is the appropriate place to gather evidence and develop the information that the FCC has indicated will be considered in its decision as to whether in-region, interLATA authority should be granted.

ANALYSIS

WorldCom witness Joan Campion described in detail in her direct testimony Ameritech's repeated disregard for Commission orders with respect to establishing TELRIC pricing for UNEs and for implementing the shared transport UNE in particular. (WorldCom Ex. 6.0, pp. 8-13). Ms. Campion observed in her rebuttal testimony that Ameritech had also failed to comply with the Commission's Order in Docket 00-0393 which had required Ameritech to file specific tariff language identified by the Commission. (WorldCom Ex. 6.1, pp. 8-9). Ameritech's continued noncompliance with the Commission's directives in Docket 00-0393 was further confirmed in cross examination of Ameritech witness Rhonda Johnson, who walked through the myriad of changes that Ameritech had made to specific tariff language the Commission had directed Ameritech to mirror. (Tr., pp. 807-813, 822-864). Ms. Johnson was walked through a side-by-side comparison of Ameritech's purported compliance tariff and the tariff language the

Commission ordered Ameritech to mirror. (AT&T/Johnson Cross Exs. 9 and 10). Ms. Johnson admitted, for example, that Ameritech removed all references to the UNE Platform or UNE-P even though those terms appeared at ten different places in the tariff language that the Commission ordered Ameritech to mirror. (Tr., pp. 863-864).

In addition, Staff witness Jonathon Feipel laid out clearly and convincingly in his direct testimony numerous examples of Ameritech's non-compliance with competitive requirements contained in federal law, state law, FCC orders and Commission orders, describing how that non-compliance has had a detrimental impact on competition in the local market in Illinois. As Mr. Feipel put it, "Ameritech's continued non-compliance represents a prolonged and systemic problem that has hindered the development of a competitive telecommunications marketplace in Illinois." (Staff Ex. 2.0, p. 11).

Not only is the record clear on Ameritech's pattern of failing to abide by Commission orders, but the record is also replete with instances in which Ameritech has actively resisted and outright disobeyed several state law requirements. (WorldCom Ex. 6.0, pp. 9-13,15-18). WorldCom witness Campion observed, for example, that Ameritech recently has been found to have engaged activities that are per se impediments to competition in the Z-Tel complaint proceeding in docket 02-0160, and has been found in violation of various state laws based on its anticompetitive ValueLink contracts in the ACENT complaint case in docket 00-0024. (Worldcom Ex. 6.1, pp. 9-10). It is this pattern of conduct that Ameritech has demonstrated that compels an evaluation not only of Ameritech's non-compliance with state laws and regulations, but also an evaluation of the extent to which Ameritech is complying with state laws and regulations, including Commission orders.

While Ameritech was invited to demonstrate how it is complying with the Commission's special construction order in Docket 99-0539, and to demonstrate that it is not discriminating against CLECs and in favor of itself, its customers and its authorized agents in terms of the intervals in which it provisions high speed data lines, including T-1 and DS1 lines, it declined to do so. (WorldCom Ex. 6.0, pp. 20-22). So while Ameritech has had ample opportunity to illustrate how it complies with state regulations, it has opted to ignore those opportunities and gamble that the Commission will ignore Ameritech's history of disobeying Commission orders and state laws.

Simply put, the record demonstrates that Ameritech has engaged in a pattern of disobeying Commission orders and Ameritech's failure to acknowledge such transgressions simply highlights the likelihood that Ameritech's intends to continue its demonstrated pattern of defying state laws and regulations.

CONCLUSION

For all of the foregoing reasons, it is wholly appropriate for this proceeding to focus on the issue of Ameritech's failure to comply with Commission orders and state laws and regulations. Without considering such information, the Commission will not be prepared in its consultative role under the TA96 to provide information that the FCC believes is relevant to its evaluation of Ameritech's 271 application. To this end, the Commission should consider all of the evidence concerning Ameritech's non-compliance with Illinois laws and regulations and determine that Ameritech has engaged in a pattern of disobeying procompetitive laws and orders. In addition, the Commission should direct Ameritech to demonstrate with specificity how it has complied with the Commission's directives in the special construction order in Docket 99-0593, the AADS certification order in Docket 94-0308, and Section 13-801(d)(5) maximum intervals

for the provision of UNEs, and in particular the intervals for the provision of high speed data lines, including T-1 and DS1 lines. (See WorldCom Ex. 6.0, pp. 19-20). Absent a demonstration of how it complies with these state requirements, the Commission is left only to base its decision on the evidence it has before it – evidence that demonstrates a pattern of non-compliance and utter disregard for procompetitive state regulations.

III. CONCLUSION

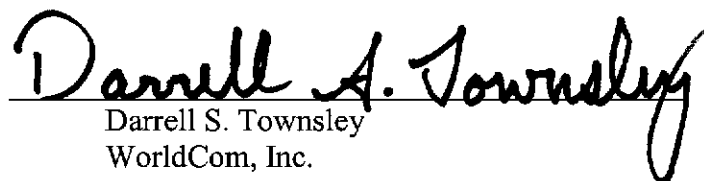
WHEREFORE, WorldCom respectfully requests that the Administrative Law Judge and the Illinois Commerce Commission withhold recommending to the Federal Communications Commission that Ameritech Illinois be granted authority to provide in-state, interLATA services in Illinois until such time as Ameritech Illinois can demonstrate that the many deficiencies in its Section 271 draft application that were identified by Staff and CLECs during Phase 1 have been fully and satisfactorily resolved and until such time as the Commission in Phase 2 of this proceeding determines that Ameritech Illinois' OSS performance measurement, performance remedy plan and other public interest provisions are acceptable.

Respectfully submitted,

WorldCom, Inc.

Dated: July 24, 2002

By:



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**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission)	
On its Own Motion)	
)	Docket No. 01-0662
Investigation concerning Illinois Bell)	
Telephone Company's compliance)	
With Section 271 of the)	
Telecommunications Act of 1996)	Phase 1

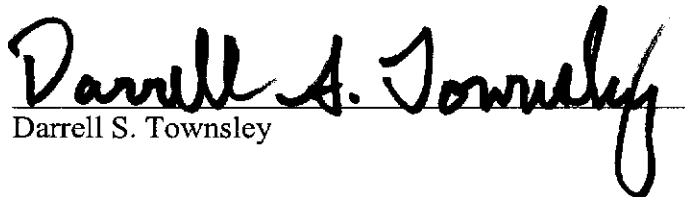
NOTICE OF FILING

Please take notice that on July 24, 2002, I caused to be sent by Airborne Express Next Business Day Delivery, postage prepaid, an original and two copies of WorldCom, Inc.'s Initial Brief in Phase 1 of the above-captioned matter to the Chief Clerk of the Illinois Commerce Commission, Donna Caton, 527 E. Capitol, Springfield, Illinois 62701.


Darrell S. Townsley

CERTIFICATE OF SERVICE

I, Darrell S. Townsley, certify that I caused to be served from WorldCom, Inc.'s Chicago, Illinois offices a copy of its Initial Brief in Phase 1 of the above-captioned docket, together with a Notice of Filing, upon all parties on the attached service list on this 24th day of July, 2002, by electronic mail and United States First Class Mail, postage prepaid.


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Docket Number 01-0662
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